

KANSAS RACING AND GAMING COMMISSION

MINUTES – MAY 11, 2018

CALL TO ORDER (A.)

Chairman Brandon Jones called the May 11, 2018 meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners David Moses, Dave Myres, and Larry Turnquist were also present. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Audit, and Finance Brandi White, Director of Electronic Security and I.T. Dennis Bachman, Director of Security and Licensing Joe Herridge, Recording Secretary Sarah Lynch-Chaput, and other staff.

MOTION, APPROVE AGENDA (B.)

Commissioner Turnquist (Myres) moved to approve the agenda. Motion carried unanimously.

MOTION, APPROVE APRIL 13, 2018 MEETING MINUTES (C.1.)

Commissioner Moses (Turnquist) moved to approve the minutes of the April 13, 2018 meeting. Motion carried unanimously.

MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner Turnquist (Myres) moved to approve the consent agenda. Motion carried unanimously.

LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Diane Giardine, General Manager, reported:

- April 2018 revenue numbers compared to April 2017:
 - Total gaming revenue increase of 6.09%
 - Total slot revenue up 5.79%
 - Table games revenue up 8.25%
- Past Promotions and Events:
 - Easter Brunch
 - Skillet for King and Country, April 13th
 - Rain – A Tribute to the Beatles, April 25th
- Upcoming Promotions and Events:
 - Free Play Frenzy Hot Seats
 - Sunday Grilling Traeger Grill Giveaways
 - Stay & Play Hotel Packages
 - Jackpot Redraws
 - Estrellas de Mariachi, May 12th

- Justin Moore – Dodge City Days, July 28th
- America Live!, September 29th

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR
(E.2.a.)

Jeff Babinski, General Manager, reported:

- April 2018 revenue numbers compared to April 2017:
 - Admissions down 4.3%
 - Total gross gaming revenue down 3.7%
 - Slot coin-in down 2.5%
 - Slot hold up 0.2 points
 - Table game drop down 14.0%
 - Table game hold down 2.43 points
 - Poker revenue down 16.2%
- Past Events and Promotions:
 - Jeff Foxworthy, April 14th
 - 20th Annual Marauders Car Show, April 20th – 21st
 - Masters of Illusion, April 28th
- Upcoming Events and Promotions:
 - IBA World Flyweight Championship Boxing, May 19th
 - Kansas High School Rodeo, May 31st – June 2nd
 - Bill Engvall, June 16th
 - Grand Funk Railroad, June 30th
 - Peter Frampton, August 3rd
 - Jay Leno, August 18th

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY
(E.3.a.)

Richard Skinner, General Manager, reported:

- April 2018 revenue numbers compared to April 2017:
 - Total gaming revenue was \$13.1 million, an increase of \$803,000 or 6.6%
 - Table games revenue was \$1.4 million, an increase of \$65,000 or 4.9%
 - Slot revenue was \$11.7 million, an increase of \$738,000 or 6.7%
- April Events and Promotions
 - Max Bet Mayhem – First Chance Drawing, April 6th
 - Mega Reels Mania Giveaway, April 7th
 - Max Bet Mayhem – Grand Prize Drawing, April 27th
 - E-Bonus Offers

LOTTERY GAMING
FACILITY

Doug Fisher, General Manager, reported:

- April 2018 revenue numbers compared to April 2017:

REPORTS/ITEMS; KANSAS
CROSSING CASINO
(E.4.a.)

- Net slot win increased 5.5%
- Net table win decreased 41.7%
- Net gaming revenue increased 0.5%
- Past Events and Promotions:
 - All April – 1st Anniversary Celebration
 - Win \$1,000 in Free Play Every Month for a Year, April 7th
 - Free Hot Dogs, Cookies, and Commemorative T-shirts, April 8th
 - Win \$1,000 in Cash Every Month for a Year, April, 14th
 - Win Mortgage Payments Every Month for a Year, April 21st
 - Win One Year's Salary, April 28th
 - Blackjack Tournament, April 28th
- Upcoming Events and Promotions:
 - Preacher Lawson, May 12th
 - Elvis Explosion, May 18th and 19th
 - Hairball, June 8th
 - Luke Pell – Country Music Singer, June 16th

COMMISSION ITEMS –
OLD BUSINESS
(F.)

There were no old business items.

COMMISSION ITEMS –
NEW BUSINESS
(G.)

There were two items of new business: the election of a new commission secretary, and a staff presentation on fully automated electro-mechanical table games.

COMMISSION ITEMS –
NEW BUSINESS;
ELECTION OF
COMMISSION
SECRETARY
(G.1.)

The Kansas Racing and Gaming Commission is required by state statute K.S.A. 74-83303(i) to annually elect a vice-chair and a secretary of the commission. Commissioner Moses is the current vice-chairman until January 2019. A new secretary needs to be elected to replace former Commissioner McKinney.

MOTION TO ELECT
COMMISSION
SECRETARY
(G.1)

Commissioner Myres (Moses) moved that the commission elect Commissioner Turnquist as secretary of the commission. Motion carried unanimously.

COMMISSION ITEMS –
NEW BUSINESS; STAFF

Brandi White, Director of Administration, Audit, and Finance discussed fully automated electro-mechanical table games and

PRESENTATION ON
FULLY AUTOMATED
ELECTRO-MECHANICAL
TABLE GAMES.
(G.2)

suggested a method for testing and approving this new technology. Dennis Bachman, Director of Information Systems, answered questions from the commissioners on how the games operate.

MOTION TO APPROVE
TRIAL PERIOD RULE FOR
ELECTRO-MECHANICAL
TABLE GAMES.
(G.2)

Commissioner Moses (Turnquist) moved to adopt a rule that allows approval of fully automated table games if, after a six month minimum field trial, the game has an actual average payout of eighty-seven percent or greater of the amount wagered over the life of the machine. Motion carried unanimously.

PUBLIC COMMENTS
(H.)

There were no public comments.

STAFF REPORTS
(I.1.A. and I.2)

Sarah Lynch-Chaput, Legal Assistant, reported on the Voluntary Exclusion Program statistics for the month of April 2018.

Executive Director Brownlee reported:

- The legislative session is over for the year.
- Senate Bill 427, the racetrack bill, received a floor vote in the senate but was defeated 20-17.
- House Bill 2194 allowing vending machine sales of lottery tickets passed and was signed by the governor. This bill included a provision requiring casinos to collect past due child support before paying out a taxable jackpot.
- The June 15, 2018 meeting is being held at Kansas Star Casino.

DISCIPLINARY REVIEW
PROCESS;
(J.1)

A disciplinary proceeding was held in the matter of KRGC case 2018-3002 (Jared Hall). The commission reviewed evidence and heard statements from Enforcement Attorney Michelle Neis. Respondent Jared Hall was not present.

MOTION, EXECUTIVE
SESSION
(J.1)

Commissioner Turnquist (Myres) moved to go into executive session for the purpose of deliberating KRGC case 2018-3002 (Jared Hall). Only the commissioners were to be included in the executive session. The total time for the executive session was anticipated to be ten minutes, until 11:00 a.m. No action is to be taken in executive session, and the subject discussed is to be limited as previously described. A full record of this motion is to be maintained as part of the permanent

record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Motion carried unanimously and the meeting was adjourned to executive session at 10:50 a.m.

RECONVENE

The commission meeting returned to open session at 11:00 a.m. with all members present.

MOTION TO UPHOLD
DRB'S
RECOMMENDATION
(J.1)

Commissioner Moses (Turnquist) moved to uphold the Disciplinary Review Board's findings of fact, conclusions of law, and sanction issued in KRGC case number 2018-3002 in the matter of Jared William Hall. Motion carried unanimously.

MOTION, EXECUTIVE
SESSION
(K.1)

Commissioner Myres (Turnquist) moved that the Commission go into executive session for the purpose of confidential attorney-client privileged communication relating to illegal seizures and forfeitures and compliance with the Kansas Open Meeting Act. Those included in the executive session, in addition to the commissioners, were the executive director and general counsel. The total time for the executive session was anticipated to be thirty minutes until 11:35 a.m. No action is to be taken in executive session, and the subject discussed is to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 11:05 a.m.

RECONVENE

The commission meeting returned to open session at 11:35 a.m. with all members present.

MOTION, EXECUTIVE
SESSIONS
(K.2)

Commissioner Turnquist (Myres) moved that the Commission go into executive session for the purpose of reviewing confidential background reports. Those included in the executive session, in addition to the commissioners, were the executive director, general counsel, and director of security. The total time for the executive session was anticipated to be ten minutes until 11:45 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the

meeting is to be continued in open session. The motion carried unanimously.

RECONVENE

The commission meeting returned to open session at 11:45 a.m. with all members present.

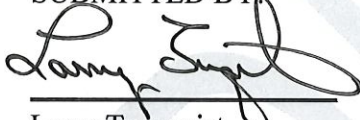
MOTION TO DENY,
CONDITIONALLY
APPROVE, APPROVE
RECONSIDERATION,
DENY
RECONSIDERATION,
TABLE, AND APPROVE
LICENSE APPLICATIONS
(L.)

Commissioner Turnquist (Myres) moved to *deny* one license application, *conditionally approve three license applications*, *table* one license application, and *approve* the remaining 191 license applications from the May 11, 2018 list of background reports referred to the commission for action. Motion carried unanimously.

ADJOURN
(M.)

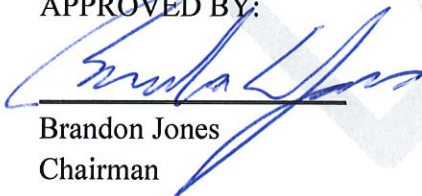
Commissioner Moses (Turnquist) moved to adjourn the meeting. Motion carried unanimously. The meeting was adjourned at 11:50 a.m.

SUBMITTED BY:



Larry Turnquist
Secretary

APPROVED BY:



Brandon Jones
Chairman